I. Purpose

This section describes departmental responsibilities for handling the distribution of University checks to payees that are not distributed from Accounting and Financial Services by mail or direct deposit.

II. Definitions

A. Agent—a person authorized to act for a payee.
B. Check custodian—a person who holds checks and/or delivers checks to payees.
C. Payee—a person to whom money is being paid by check.
D. Unclaimed check—a check being held by any University office for issuance or delivery to the payee, including checks mailed out but returned to the University.

III. Policy

A. A University check must be released only to the payee or a departmental check custodian; unless the payee has authorized an agent in writing to receive the check on the payee’s behalf (see IV.B, below).
B. Check custodians who release checks to payees or payees’ agents must verify the identity of the recipient prior to release of the check.
C. A check must not be given to a University employee, including a payee, payee’s agent, or check custodian, who approved the financial document authorizing the issuance of the check.
D. An employee who distributes payroll checks is not authorized to approve payroll documents or to review the monthly Distribution of Payroll Expense (PPP5302) or the Payroll/Personnel System (PPS) Decision Support Expense Distribution Report (see Sections 330-11 and BFB IA-101).
E. Checks that are awaiting distribution must be kept in locked storage accessible only to a check custodian and an alternate who have been formally assigned these responsibilities.
F. When departmental check custodians are unable to deliver a check to a payee within 30 days of its issuance, the check must be returned to Accounting and Financial Services with a statement identifying the check as unclaimed.
G. Accounting and Financial Services will reissue any check, regardless of the check's age or amount, if it can be determined that the check has never been cashed or previously reissued.

IV. Procedures

A. Departmental check custodians are authorized to distribute checks when:
   1. The payee is known to them, or
2. The payee is unknown to them, but the payee presents valid government-issued photo identification (e.g. a driver's license), or

3. Mailed directly to the payee via US or campus mail service. Departmental mailboxes in public areas are not considered secure and must not be used to deliver checks.

B. Departmental check custodians may deliver a check to a payee's agent under the following procedure:

1. The department attains an approved Check Agent Authorization form.
   a. The payee must approve the form if the payee is an employee.
   b. The form can be approved by either the payee or a department head if the payee is a non-employee.
   c. A written letter provided by the payee to the department can substitute for the form, if it includes the required information, as found in BFB IA-101.

2. The check custodian verifies the agent was not the person who approved the transaction in the financial system.

3. The agent provides a valid government-issued photo ID to the check custodian and completes the receipt portion of the form.

4. The check custodian verifies the photo ID, completes the verification portion of the form, and releases the check to the agent.

5. The department scans and attaches the completed form to the source financial system document, such as the Payment Request or Disbursement Voucher document that generated the payment.

C. Unclaimed checks must be returned promptly to campus Accounting and Financial Services with an explanation of the department's inability to distribute the checks.

V. Further Information

For additional information, contact the Accounts Payable Help Desk at aphelp@ucdavis.edu.

VI. References and Related Policies


B. UC Accounting Manual Chapter C-173-15, Cash: Check Controls.

C. UC Davis Policy and Procedure Manual:

1. Section 330-11, Departmental Financial Administrative Controls and Separation of Duties.

2. Section 330-55, Departmental Cashiering Operations.